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FISCAL IMPACT STATEMENT

LS 6617 **NOTE PREPARED:** Dec 26, 2003
BILL NUMBER: SB 208 **BILL AMENDED:**

SUBJECT: Extend Tax Sale Redemption Period for Dwellings.

FIRST AUTHOR: Sen. Young R Michael **BILL STATUS:** As Introduced
FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL** **IMPACT:** Local
DEDICATED
FEDERAL

Summary of Legislation: This bill extends from one year to two years the tax sale redemption period for a dwelling and the land on which the dwelling is located.

Effective Date: January 1, 2004 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, a taxpayer has one year in which to redeem property from a county tax sale. The proposal extends the redemption period for a dwelling and the land on which the dwelling is located to two years. This provision could deter prospective buyers from purchasing the property at a tax sale if the potential purchasers are concerned that the property could be redeemed within a two-year period. On the other hand, extending the redemption period could result in more tax sale redemptions if allowing an additional year allows the taxpayer enough time to obtain the necessary funding to redeem a property that might otherwise go unsold. In either case, as soon as the property is sold or taxes are paid, the property can be returned to the tax rolls.

The overall impact of this proposal is indeterminable. Revenue generated from tax sales are used to pay delinquent taxes, penalties, interest, and the costs of the sale. Delinquent taxes are distributed in the same manner that all other property taxes are distributed.

State Agencies Affected:

Local Agencies Affected: Counties and local taxing units.

Information Sources:

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